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MARKETING AMERICAN DRIED FRUIT IN EUROPE

By

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Introduction and Summary

European markets on the average are now taking over three-fourths of our annual exports of dried fruits. Prunes and raisins constitute the bulk of such exports and shipments in recent years have been far above the pre-war average. The most important European dried fruit consuming areas are Great Britain , Germany, France, the Netherlands, Belgium, and the Scandinavian countries, practically all of which are highly industrialized and depend to a large extent upon imports for their food requirements. All of these countries are deficit producing areas as far as fruit is concerned and as a result imported dried fruit has become popular in the diet of the people.

There are indications of increasing consumption of dried fruit in Europe but, at the same time, competition is becoming keener. The main competitors of the United States for the European dried fruit market are Yugoslavia, Spain, Greece, Smyrna, Australia and South Africa. Of these only Yugoslavia has shown a downward tendency in production in recent years. In most countries the production trend is upward. The relatively low price and excellent quality of American dried fruits in recent years have been important factors in the increasing demand for American dried fruits in Europe. Another factor of importance in the expanding European market for these products since the war has been the wider appreciation of relative food values in dried fruits.

Many of the European buyers of American dried fruit purchase the bulk of their requirements in June, July and August for delivery during October, November and December. As prices early in the season are frequently out of line with the actual supply and demand situation, it frequently happens that those who have made early purchases at high prices for the Christmas trade are confronted with a sudden decline in values as soon as the transactions have been completed. Steps should be taken to bring prices into line with supply and demand conditions. Direct buying by cooperative societies and by chain store organizations are tending to absorb the functions of the long established agent-broker and distributor-wholesaler, and developments along these lines must be carefully watched by the American trade.

1/ Based on investigations in Europe by Mr. Newhouse during 1928-29 while attached to the Division of Cooperative Marketing, which has since been transferred to the Federal Farm Board; supplemented by information supplied by the Foreign Agricultural Service of the Bureau of Agricultural Economics.

The practice of buying unprocessed prunes for repacking in certain European centers has made rapid progress since the war. Hamburg leads in the number of such plants in the volume of packing and in exports of repacked prunes. The European trade is unanimous in the opinion, however, that the quality of the original pack from the Pacific coast is superior. There are indications, that the packing of prunes in the European consuming centers has materially expanded the demand for this fruit during the summer months and to that extent the prune packing industry in Europe has unquestionably been a boon to American shippers during certain months of the year.

Importance of Europe in American Dried Fruit Trade 1/

The American dried fruit export trade in the past five years, 1924-25 to 1928-29, has experienced an expansion of more than 175 per cent compared with the average pre-war volume of trade. Our total exports of dried fruit during this period averaged 437,358,000 pounds annually as compared with an average of only 158,489,000 pounds annually during 1909-10 to 1913-14. Increased shipments of raisins and prunes account for practically the entire expansion in the dried fruit trade. Exports of dried apples show a decline while exports of the other dried fruits increased only slightly. Prunes are the most important item in our dried fruit exports, having constituted 47 per cent of the total in the past five years. Raisins come next in importance with 36 per cent of the total. While American dried fruits are exported to all parts of the world, the European market in the aggregate takes around 78 per cent of the total. The most important American dried fruit markets in Europe are the United Kingdom, Germany, the Scandinavian countries, the Netherlands, France, and Belgium.

The demand for American dried fruits in Great Britain is mainly for raisins and prunes and these constitute 93 per cent of our total shipments to that market. The demand in Germany is mainly for prunes, raisins and dried apples, which constitute 88 per cent of our shipments to that market. The Scandinavian countries take mostly prunes, raisins, and mixed dried fruits, these three constituting over 80 per cent of our exports to those countries. Mixed dried fruits are especially important in our dried fruit trade with Sweden. Shipments of dried fruit to the Netherlands consist mostly of raisins and prunes which constitute 70 per cent of our shipments to that market. The Netherlands is also an important purchaser of dried apples. France is interested mainly in prunes, more than 85 per cent of our dried fruit exports to that market consisting of that fruit.

1/ Contributed by the Foreign Agricultural Service, Bureau of Agricultural Economics.

American export statistics are not a very satisfactory indication of the actual volume of American dried fruit consumed in the individual European markets because of the large re-export trade from several of those countries. Considerable quantities of dried fruit, particularly prunes, which appear in our export statistics as destined for Germany, the Netherlands France and Italy, find their way through dealers and prune packers to other markets on the continent. The Scandinavian markets and Finland, however, get most of their dried fruits direct from the United States, and buy from the Hamburg and other large European dried fruit markets only in the case of emergency or when they have to fill in stocks until supplies arrive from America.

DRIED FRUIT: Average exports to Europe and to Other Countries from the United States.

Fruit	Average 1909-10 to 1913-14 1/			Average 1924-25 to 1928-29 1/		
	Total Exports	Exports to Europe	Per cent to Europe	Total Exports	Exports to Europe	Per cent to Europe
	1,000 Pounds	1,000 Pounds	Per cent	1,000 Pounds	1,000 Pounds	Per cent
Prunes	80,428	66,644	82.9	206,479	177,179	85.8
Raisins	18,004	2,143	11.9	158,600	101,083	63.7
Dried Apples	35,137	34,054	96.9	29,691	28,650	96.5
Apricots	19,438	17,714	91.1	19,532	17,227	88.2
Peaches	5,482	2,609	47.6	6,793	4,293	63.2
All others	2/	2/	2/	16,263	13,496	83.0
Total	158,489	123,164	77.7	437,358	340,928	78.0

DRIED FRUIT: United States Exports to Europe and to Other Countries Average 1910-1914 a/ and average 1925-29 b/

Destination	Raisins		Prunes		Apples	
	1910-1914	1925-1929	1910-1914	1925-1929	1910-1914	1925-1929
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
United Kingdom...	846	54,132	8,848	38,012	1,186	1,894
Germany..........	508	17,875	29,420	52,212	17,474	12,919
France...........	214	2,456	10,226	32,450	827	1,206
Netherlands......	-	15,340	7,238	12,920	9,613	7,427
Belgium..........	35	4,143	5,006	6,783	1,946	527
Sweden...........	90	7,747	1,896	6,063	1,136	2,512
Denmark..........	295	2,043	1,854	6,695	1,302	1,268
Norway...........	10	1,324	356	3,134	321	630
Finland..........	5	336	397	4,209	133	723
Other Europe.....	140	4,695	11,403	7,421	116	174
Total Europe	2,143	110,091	66,644	169,899	34,054	29,280
Other Countries	15,861	54,024	13,784	29,919	1,083	1,058
Grand Total......	18,004	164,115	80,428	199,817	35,137	30,338

Compiled in the Foreign Agricultural Service of the Bureau of Agricultural Economics, from records of the United States Department of Commerce.

1/ For the years ending June 30.

2/ Quantitative statistics are not available.

DRIED FRUIT: United States Exports to Europe and to Other Countries, Cont'd
Average 1910-1914 a/ and average 1925-1929 b/

Destination	Apricots 1910-1914	Apricots 1925-1929	Peaches 1910-1914	Peaches 1925-1929	Other Dried Fruit c/ 1925-1929
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
United Kingdom..	5,552	1,943	452	790	2,434
Germany.........	5,208	5,686	1,640	1,642	3,867
France..........	2,559	1,374	178	568	331
Netherlands.....	2,205	3,564	151	317	954
Belgium.........	957	1,182	52	116	105
Sweden..........	228	871	40	144	5,177
Denmark	616	1,981	27	219	416
Norway..........	165	933	4	18	267
Finland.........	21	259	7	188	377
Other Europe....	202	439	58	380	697
Total Europe..	17,713	18,232	2,609	4,382	14,625
Other Countries.	1,725	2,196	2,873	2,390	2,724
Grand Total.....	19,438	20,428	5,482	6,772	17,349

Compiled in the Foreign Agricultural Service of the Bureau of Agricultural Economics.

a/ Years ending June 30.
b/ Years ending December 31.
c/ Not available by quantity in pre-war years.

Exports by Customs Districts

The merchandising of American dried fruit in Europe was facilitated materially by the opening of the Panama Canal route. Shipments by this route can be made direct from the packing centers to the large European markets at a considerable saving in transportation costs. Out of a total of 432,000,000 pounds of dried fruit exported from the United States to all foreign markets in 1928, approximately 69 per cent was shipped by the all water route direct from the Pacific Coast ports, mostly from San Francisco and Portland, Oregon.

DRIED FRUIT: United States Exports by Customs Districts, 1928

Fruit	Pacific Coast	Atlantic Coast	Canadian Border	Mexican Border	Gulf Coast	Total
	Ports of Shipment					
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
Prunes	143,545,728	39,821,414	13,131,661	567,398	161,382	197,227,583
Raisins	109,864,236	15,472,433	22,994,072	1,107,805	248,113	149,686,659
Apples	12,226,929	25,443,213	156,445	49,691	12,909	37,889,187
Apricots	5,387,946	5,323,075	489,258	61,128	3,209	21,264,616
Peaches	5,626,264	1,469,054	628,256	53,819	8,504	7,785,897
Pears	3,495,509	984,580	82,403	12,085	1,890	4,576,467
Others	9,635,827	3,503,289	337,876	45,489	45,019	13,567,500
Total	299,782,439	92,017,058	37,819,971	1,897,415	481,026	431,997,909

Compiles in the Foreign Agricultural Service of the Bureau of Agricultural Economics.

Factors Affecting European Demand for American Dried Fruit

The combined population of the United Kingdom, Germany, France, Belgium, the Netherlands and the Scandinavian countries, which constitute the principal European markets for American dried fruit, amounts to about 176,000,000 on a total area of only 813,000 square miles. The concentration of such a large population in this deficit fruit producing area accounts for the importance of the demand there for dried fruit. While dried fruits have become popular in the diet of these countries mainly because of their relative cheapness and highly concentrated food values, there are many factors that affect the demand for these products from year to year. Among the most important of these is purchasing power. As industrial nations, these countries must import much of their food and raw material requirements and pay for them with the proceeds of exports, largely manufactured goods. Anything that interferes with the industrial situation is reflected in the purchasing power of the consumer, particularly in the event of unemployment. Other factors that have an effect on the demand for American dried fruits are quality, competition of fresh fruit and of dried fruit from other countries, official aids to marketing, and consumers' preferences.

Influence of Price and Quality on Demand.

The dried fruit markets of Continental Europe are universally recognized as "price markets". Under such trying economic conditions as have prevailed in Europe since the war, it is quite natural that price should have been the factor determining the quantities consumed. Shopping with attention fixed primarily on food values for money to be expended has always been a characteristic of the European housewife and for that reason price is much more of a factor in those markets than in the United States. The relatively low prices that have prevailed on American dried fruit since the war have therefore been a very important factor in the increasing European demand for these products. This does not mean, however, that the European market is interested

in price to the extent of excluding the quality factor. On the contrary, the uniformly good quality, neat pack and appetizing appearance of American dried fruits have been of as much importance in the increasing European demand for these products in recent years as the factor of relative prices.

The opinion held in some quarters that Europe is more interested in the price than in the quality of our fruit has been created erroneously by the fact that certain markets frequently absorb large quantities of off-grade stock. Europe, however, is an excellent judge of dried fruits. Whenever shippers desire to dispose of fruit somewhat inferior as to quality, such goods should be sold only on sample and should not be connected in any manner with the regular inspection service. No liberties should be taken with goods inspected and recognized to be "Better than or equal to average for the season", even though prices are low. The important European markets have a high respect for a contract once entered into and American shippers should at all times adhere strictly to its terms.

Competition of Fresh Fruit

The extent to which the consumption of fresh fruit interferes with that of dried fruit in Europe cannot be stated definitely. Satisfactory statistics are not available on the production of fresh fruits in most of the European countries, but many of them are doing everything possible to develop their fresh fruit industries not only in order to correct, as far as climatic and soil conditions will permit, any present unfavorable trade balances in fresh fruits but also to bring into use land that is more suitable for fresh fruit than for other crops. Lack of experience in modern methods of fresh fruit culture together with a shortage of capital and poor organization, however, is making development along these lines slow in most of the potential producing areas in Europe. Imported fresh fruits are readily available the year round. When fruits from the Northern Hemisphere are no longer on the market supplies come in from the Southern Hemisphere.

Several of the European Governments are giving direct aid to the development of their own national fresh fruit industries. In several instances nation-wide studies are being carried on for the adaptation of varieties suitable to specific localities. Many state nurseries have been established for the distribution at cost of young tree stock and many schools have been organized for specializing in the general field of improved horticultural and packing methods. In some cases high tariffs have been placed on fresh fruits in order to encourage local fruit production. Several of the countries have launched comprehensive fresh fruit advertising campaigns for the purpose of stimulating the local demand for home grown fresh fruits.

The nations on the Continent most active along the lines above mentioned are Austria, Hungary, Czechoslovakia, Poland, Yugoslavia, Switzerland and Germany. Hungary has a well developed apricot industry in the Danubian plain and a program of fruit production expansion has been started with this industry as a nucleus. Austria, having lost the Tyrol, is active in developing a fruit industry elsewhere. Czechoslovakia has formulated an elaborate program and intends to use the fresh prune industry of Bohemia as a nucleus. Switzerland has already accomplished a great deal in developing the apple industry, particularly around Lake Constance. Germany has planted many of her former vineyards with apples and cherries and rapid progress is being made in the fruit industry in the Boden See Area. Considerable attention is being devoted by the Government in Yugoslavia to the expansion of fruit production other than plums, with particular reference to the export market. Poland is attempting to build up a prune industry by introducing the "Fallenberg" variety for grafting on the local root stock. All of these nations, however, will find many limiting factors in production and it will probably take a new generation of farmers, horticulturally trained, before such programs for expanding fresh fruit industries can be put into effect fully.

The trade statistics for many of the European countries indicate that imports of fresh fruit are increasing, particularly imports of apples and bananas. The availability of fresh apples has caused a decline in the demand for dried apples, particularly in the Scandinavian markets, but in general imported fresh fruit in most European markets is still considered an item of luxury. It seems reasonable to assume, however, that as far as competition from fresh fruit is concerned, American dried fruits will continue to hold their own in European markets for many years to come not only because of their relative cheapness in comparison with imported fresh fruit but also because of their inherent efficiency in the diet and their availability during practically all months of the year. At present the local production of fresh fruits in most of the European countries does not appear to be much of a factor in the demand for dried fruits. The relative price of fresh and dried fruit however, is always an important factor in the European market.

Competition of Dried Fruits from Other Countries

Although the dried fruit export trade of the United States has shown gains in most items since the war, there is evidence of increasing competition in the principal consuming markets not only from the old-established dried-fruit producing areas of the Mediterranean Basin but also from the relatively new areas of the Southern Hemisphere, mainly from Australia and South Africa. Most of the dried fruit from the latter two countries are marketed in Great Britain, the supplies consisting mainly of raisins although shipments of apricots, peaches, pears and prunes are increasing. Raisins from Smyrna, Greece and Spain compete with American raisins in practically all of the European markets. In prunes Yugoslavia is the most important competitor.

There has been a distinct upward trend in the production of raisins in Australia and Smyrna in recent years but the Spanish crop has remained fairly constant. The prune industry in Yugoslavia has been declining in importance since the war due to tree losses resulting from lack of care and planting during the war and to the spread of insect pests and diseases. Production of prunes in South Africa, however, seems to be increasing. Greece and Australia furnish practically all of the currants sold in Europe. Production in Australia shows an upward tendency. The significant features of the foreign apricot situation is the steady expansion in production in South Africa and Australia. The South African situation is of special importance since apricots from that area give promise of becoming a very important factor in the world market in a few years.

DRIED FRUIT: Production of Raisins, Currants, Prunes and Apricots in Specified Countries.

Fruit and Country	1919-20 to 1923-24	1924-25	1925-26	1926-27	1927-28	1928-29
	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons
RAISINS:						
United States	206,300	170,000	200,000	285,000	300,000	268,000
Australia	18,841	29,876	27,752	48,722	28,252	58,900
Smyrna	37,000	56,000	33,000	38,000	54,000	50,000
Spain	18,177	22,575	25,028	23,700	25,400	21,800
Greece	13,557	9,103	8,564	8,306	7,118	12,389
South Africa	5,208	4,660	4,565	5,146	5,414	2,000
CURRANTS:						
Greece	118,600	172,000	167,000	188,500	141,500	157,500
Australia	10,713	13,050	13,703	14,290	8,540	21,160
PRUNES:						
California	114,450	139,000	146,000	150,000	225,000	220,300
Pacific Northwest	a/ 36,880	19,360	12,960	40,250	19,500	5,900
Yugoslavia	a/ 59,495	4,980	48,436	51,871	34,033	20,757
France	9,645	6,063	1,378	8,488	5,500	990
South Africa	752	1,234	678	1,050	296	1,500
APRICOTS:						
California	16,500	16,000	18,000	13,800	25,000	22,120
Australia	b/ 1,414	885	654	932	740	1,680
South Africa	334	549	537	979	1,109	2,750

Compiled in the Foreign Agricultural Service Division of the Bureau of Agricultural Economics from official records and from reports of American Consuls and Trade Commissioners abroad.

a/ Two year average 1922-23 and 1923-24.

b/ Three year average 1921-22 to 1923-24.

Special Advantages Enjoyed by Competing Areas

Yugoslavia in prunes and the Mediterranean countries in raisins enjoy a close proximity to the principal consuming markets of Europe. While freight rates from these areas are not much lower compared with shipments through the Panama Canal the fruit is not exposed to tropical conditions and shipments arrive much more quickly. The time required for fruits to arrive from different countries varies considerably. It takes from 10 to 14 days for shipments to reach Hamburg from either New York or Yugoslavia. From 4 to 6 weeks are required, however, for shipments to reach Hamburg from the Pacific Coast via the Panama Canal. Shipments of dried fruit from the Mediterranean producing countries to northwestern Europe usually take from 2 to 3 weeks to reach their destination. The movement of dried fruit from the repacking centers in Hamburg and Bordeaux to nearby markets of course only takes a few days.

Official and Semi-official Aids to Marketing Competitive Fruits

Most of the foreign dried producing areas have been favored at some time or other in recent years with some form of official or semi-official assistance. This is particularly true of Yugoslavia, Australia, Greece, Smyrna and Spain. Most of the agencies set up in these countries for the development of their dried fruit industries and for the expansion of their export markets are still in operation. In Smyrna a special raisin exchange was established to facilitate the sales of raisins. In the Malaga raisin producing area of Spain a special board was set up to grade and classify fruit intended for export and to take steps to promote sales in foreign markets. In Australia, the Commonwealth Dried Fruit Export Control Board was created to effect the systematic marketing of the dried fruit crops. In England, the British Empire Marketing Board is doing everything possible to promote the sale of empire-grown fruits.

In Yugoslavia the Government is vigorously encouraging prune growers to adopt more modern methods of production and drying. Special demonstration centers have been established and state nurseries furnish new stock practically free of charge. In Greece the important currant industry is controlled by the Greek Currant Office which regulates the movement of supplies. The poorer grades of currants are not allowed to leave the country but are worked up into by-products. Low prices on competing raisins comparable to Greek currants and used for the same purpose have caused a decline in Greek currant exports in recent years. The syndicate has attempted to counteract this decline by using more of the fruit in the by-products industries. Higher future values on raisins are expected to correct this situation as Greek currants are well liked in Europe. A commercial treaty with England provides for a definite tonnage of Greek currants to be imported into that market each year.

Effect of Tariff and Other Regulations on Demand

The trade in Europe generally is of the opinion that tariffs on dried fruit in various countries have had little effect on imports and consumption because of the relatively low prices that have

prevailed on dried fruit in recent years. It is admitted, however, that the prevailing tariffs would have had a deterring effect on demand if initial values had been higher than they were. The United States in most cases is assured equality of treatment whenever special tariff concessions are allowed by one European country to another by reason of the "most favored nation clause" in our commercial treaties with most of the European countries. The reciprocal commercial treaties between Yugoslavia and other European nations have initiated a well defined tendency to lower import duties on prunes in most of the large consuming markets. The most important of these are the agreements with Germany, Austria, and Italy, which show a material reduction and, in the case of Austria, have been entirely removed on prunes in bags. There is a tendency in the Scandinavian countries to lower the duty on dried fruits, the Swedish parliament already having removed all tariff barriers to the importation of prunes. France materially increased her duty on prunes in 1927 order to encourage the local prune industry, but no significant increase in new plantings is apparent as yet. The leaders in the French prune packing industry are opposed to this tariff increase since the industry has to draw upon the Pacific Coast for unprocessed prunes. Great Britain has imposed tariffs on dried fruits and has given products from products from Empire sources of supply preferential treatment. The Empire countries as yet produce no appreciable amount of prunes but in raisins and dried apricots the Pacific Coast is placed at a distinct disadvantage by reason of the British preferences on shipments from Australia and South Africa.

The Government of Poland maintains a rather unique system, known as "contingents", whereby certain goods can be imported only upon permits issued by the Ministry of Industry and Commerce. Such permits must be renewed every three months and are issued only to Polish importers who pay taxes and carry on business under registered Polish trade licenses. The idea of the system is to establish a basis for bargaining in connection with reciprocal commercial agreements between Poland and the neighboring countries of Czechoslovakia, Hungary and Austria. The exact "contingents" allowed various foreign countries for the importation of prunes are not made public by Poland but it is well known that the permits for imports from the United States in recent years have been far below the "contingents" allowed such nonproducing but relatively important prune packing countries as Czechoslovakia, Hungary and Austria. The immediate effect has been the development of the prune packing industry in these latter countries and increased imports of processed prunes by Poland from those centers. It is the opinion of the trade in Poland that the extra expense entailed by this procedure amounts to at least 20 per cent.

Seasonal Characteristics of the Dried Fruit Trade.

Generally speaking, the consumption of dried fruits in Europe is highly seasonal. Most of the supplies of cheap local fruits have disappeared by the Christmas holidays, and it is imperative that new crop dried fruits be available in the retail channels at that time. To accomplish this shipments should not arrive later than the middle to the last of November. Failure in this respect means the loss of the most important consuming period in Europe.

Pacific Coast prune operators can well afford to pay the closest attention to this point, particularly now that the freshly packed, old crop European pack can be drawn upon in case of necessity. The nearness of the Balkan prune producing and exporting countries and their ability to deliver early is another reason why early shipments should be rushed to Europe. Some markets, particularly the Scandinavian countries, buy practically all of their requirements early. Other districts purchase from 50 to 75 per cent of their requirements early, depending upon prices and general conditions. There are indications, however, that dried fruits are becoming less seasonal in consumption. The European prune packers, for example, maintain that the availability of their freshly packed stock has definitely increased the year-round demand for prunes.

Consumer Preference and Buying Characteristics

One of the essential requisites to the successful marketing of dried fruit in Europe is an understanding of the consumer preferences and buying characteristics. This calls for accurate knowledge of consumers' preferences as to bulk and packaged fruit, consumers' reaction to brands, frequency and size of retail sales, consumers' ideas as to food values in dried fruit, preferences as to sizes, cooking practices and ways in which dried fruits are used, and last, but not least, the price of dried fruits compared with fresh fruit or other foodstuffs. American shippers of dried fruit must have reliable information along all of these lines in order to develop the various markets efficiently.

Attitude Toward Dried Fruit in Cartons

Generally speaking, Europe does not take kindly to dried fruits in sealed cartons. The only exception found in this respect is in the case of carton raisins in England and the Scandinavian countries. An exceptionally low price ruling on this fruit, continuous advertising, and uniform quality have broken down the once natural antipathy in those markets this innovation in marketing as far as raisins are concerned. European prune packing centers, however, have found carton packing a financial burden because of small repeat orders and the consequent high cost of packing. A second objection to dried fruit in cartons is that the European housewife prefers to buy on "sight". Her shopping program involves an inspection of the fruit and the price tag. Thus equipped, she judges values for herself. Naturally the appearance of the fruit rather than the container plays the most important part in sales appeal.

European housewives buy sparingly as a matter of necessity and always with an eye to food value received. To the average housewife's slender purse and frugal mind the sealed carton presents an added cost to be paid for by her. This, of course, does not hold true for the more prosperous class of buyers but the bulk of the dried fruits, prunes particularly, is consumed by the laboring classes and low-income families. This partly explains why Europe is called a "price" market. It also explains the "elasticity" of European markets for prunes, as indicated by its ability to consume apparently unlimited carry-overs and record crops when prices are low and within the reach of the millions of consumers.

DRIED FRUIT: Exports from the United States by months

Month	Pears	Raisins	Apples	Apricots	Peaches	Prunes	Others
1927-28:	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
July	1/	8,172,110	583,913	478,077	150,579	5,170,119	449,205
Aug.	1/	9,906,078	213,384	5,799,475	259,396	4,986,325	399,984
Sept.	1/	9,007,733	568,071	5,366,303	536,507	5,877,050	938,654
Oct.	1/	45,472,032	2,839,146	2,549,065	1,500,126	49,615,263	5,639,512
Nov.	1/	33,158,587	6,378,382	1,576,864	1,055,891	60,700,727	3,486,154
Dec.	1/	21,369,417	5,327,375	1,505,841	642,581	35,097,400	2,520,625
Jan.	1/	14,234,079	2,602,894	1,351,756	607,783	28,600,351	2,829,588
Feb.	1/	11,365,670	1,248,057	1,199,859	546,307	27,020,529	1,497,607
Mar.	1/	13,311,577	941,307	940,652	309,281	16,443,108	846,655
Apr.	1/	8,245,220	448,293	976,546	417,644	9,720,930	516,997
May	1/	7,894,209	459,023	657,242	289,172	7,223,836	426,869
June	1/	10,981,805	94,640	982,588	226,825	10,168,863	306,653
Total		193,098,517	21,704,485	23,684,268	6,542,092	260,624,501	19858,503
1928-29:							
July	1/	11,356,232	143,599	1,650,806	123,331	7,726,813	173,166
Aug.	1/	11,777,695	1,064,822	6,662,889	331,637	8,655,505	341,842
Sept.	1/	20,485,368	1,692,460	3,469,861	2,033,479	10,014,668	980,624
Oct.	1/	66,300,365	5,884,001	2,959,990	2,752,313	77,166,358	8,555,962
Nov.	1/	32,990,268	9,737,405	1,639,062	1,172,143	37,042,715	4,000,591
Dec.	1/	17,547,246	10,769,893	1,352,231	1,000,348	27,923,114	1,721,262
Jan.	535,919	13,229,283	7,822,681	1,142,694	934,414	23,629,274	1,817,400
Feb.	820,874	11,414,045	5,575,186	1,330,917	1,106,115	22,999,073	1,052,921
Mar.	521,422	7,550,518	3,642,353	1,627,421	1,204,311	19,598,097	674,854
Apr.	546,261	6,827,173	2,215,544	1,975,789	959,268	19,858,055	676,987
May	158,950	8,391,503	1,232,423	545,044	464,497	10,606,011	531,017
June	42,548	13,905,820	243,798	295,224	354,137	7,831,143	276,602
Total	1/	221,755,516	50,024,165	24,651,928	12,435,995	273,050,826	20803,228
1929-30:							
July	48,957	9,490,681	44,049	322,240	135,735	4,563,722	164,304
Aug.	134,802	12,190,219	115,013	3,926,813	249,572	8,255,014	872,277
Sept.	118,120	16,912,034	249,551	4,897,079	837,572	5,375,624	728,689
Oct.	742,326	27,681,491	4,086,317	2,265,615	796,729	24,699,799	5,403,059
Nov.	399,912	14,185,667	8,264,553	1,350,108	375,240	30,894,554	807,115
Dec.	510,767	7,929,038	4,397,739	1,585,632	368,307	18,919,217	618,024
Jan.	412,457	4,712,583	2,777,452	1,332,632	217,173	12,504,433	885,443
Feb.	249,165	4,108,084	1,428,422	735,503	215,308	9,605,856	726,506
Mar.	565,247	5,692,156	682,945	555,405	239,532	6,020,476	506,076
Apr.	166,286	7,463,209	424,938	579,230	112,548	4,793,184	475,853
May	140,573	7,744,450	781,079	891,594	145,925	8,736,201	557,871
June	171,046	10,476,652	517,279	659,083	150,211	8,622,945	124,165
Total	3,659,658	128,585,456	23,769,317	19,100,934	3,843,852	142,989,025	11669,383

Compiled from official records of the Bureau of Foreign and Domestic Commerce.

1/ Included in "Other Dried Fruit."

Notwithstanding the present unpopularity of dried fruits in sealed cartons, many dealers are of the opinion that the carton fruit will ultimately become popular. As economic conditions improve and national advertising becomes general, it is believed that both retailers and consumers will become convinced of the advantages of buying dried fruits in sanitary carton packages. The only serious attempt to introduce the carton prune in Sweden showed a gradually growing interest until advertising funds were withdrawn which killed all interest in the carton pack. If attempts to introduce the carton prune are made, it would be well to limit efforts for the time being to those countries that have accepted the carton raisin and undoubtedly the best response would come from the cooperative buying societies.

Dried fruit in Europe has to be openly displayed to permit its appetizing appearance to act as a sales aid. Since actual sight of the goods is such an essential factor in sales appeal, it would seem that the transparent cellophane package should become popular in European markets. Where visibility is so desirable in emphasizing quality, the cellophane pack ought to be acceptable since it not only permits actual sight of the goods but in addition protects the product from dust and generally keeps it in a sanitary condition. It provides the answer to requirements for an attractive, convenient, sanitary, identified package that can be displayed on open stands where "seeing what you buy" is the watchword in consumer purchases. The main objection to the cellophane pack in Europe would undoubtedly be "price". Some progress has been made with the cellophane package in both Hamburg and Zurich but only for the finest quality and grades purchased by the better trade.

Consumer Preferences as to Types and Sizes of Prunes.

The three principal types of prunes sold in the European market are the California, the Yugoslav and the Pacific Northwest. Each type has distinct characteristics but in most markets the price of the fruit is of more importance than the type. The European market in general seems to be partial to the California prune. This preference, however, is more the result of a trade preference due to the steady supplies of good quality fruit than to an actual consumer demand. The tart Pacific Northwest prune can be sold in most markets only on price concessions in comparison with California fruit. The Yugoslav prune from the standpoint of acidity falls somewhere between the California and the Pacific Northwest prune. It is not as sweet as the California prune nor as tart as the Oregon variety. The heavy crop losses and the inferior quality of the Yugoslav prune in most of the recent years has left a definite place for the Pacific Northwest prune in most of the European markets, particularly in filling the demand for the larger sizes absent from the Balkan countries.

It has been suggested in the United States that all prunes smaller than ninety to the pound should be withdrawn from domestic trade channels as a measure to protect the larger and better fruit. It is contended that small prunes are not profitable to the grower and that their elimination would create a correspondingly larger demand for the better fruit. Whether

small prunes are profitable, of course, is very largely a matter for the individual grower to decide. It is possible that our own domestic markets would respond in buying more of the better fruit were the small sizes eliminated. The small sizes, however, find their main outlet in the export markets and to that extent do not interfere in the domestic consumer demand. From the viewpoint of the export trade, therefore, the question of the elimination of the smaller sizes presents an entirely different aspect.

European Demand for Prunes Are Largely For Smaller Sizes

Unquestionably there is a real need and demand for small and relatively cheap prunes in Europe. The very small sizes have in the past been supplied mainly by Yugoslavia, but owing to inferior quality in recent years as well as to the shortage in supplies from that country, there has been an increasing sale of the larger sized prunes from the Pacific Coast. From the earliest days of the dried fruit industry Europe has been accustomed to small prunes. In fact, prior to the development of the industry on the Pacific Coast, practically all of the prunes available were of the small sizes. As a result, consuming habits and methods of preparation have developed on the basis of the smaller fruit. The wide use of prunes in special prune dishes and in various mixtures of dried fruits in Germany, Holland, Finland and in the Scandinavian countries, favors the use of the smaller sized prunes. In fact, either raisins or the small sized prunes are used for this purpose.

Another reason for the popular demand for small prunes in Europe is the fact that a comparatively small purchase must often satisfy a great many mouths and a larger number of pieces per pound makes a better showing. Somewhat the same principle is involved in the European demand for the smaller sizes in apples. It is doubtful, therefore, if the elimination of the small/prune would increase the demand for the larger fruit in Europe. Aside from the feeling that small fruit is not inferior but even preferable, the economic situation in large areas of Europe is such that many consumers would go without dried prunes and other dried fruit rather than pay the enhanced price for the larger sizes.

Eliminating the small sizes in American shipments woul only encourage the increased production of the smaller sizes in the potential prune producing sections of Europe. During the 1928-29 season, some of the principal markets in northern Europe were calling upon southern France for small fruit when Pacific Coast supplies of this type were scarce and relatively high. The relatively cheap Pacific Coast prunes and raisins available in Europe in recent years have served as a check on production and expansion in competing areas but a total absence of small fruit from the United States would undoubtedly be an incentive for expansion in the potentially competitive areas.

Size Requirements in Different Markets

One of the characteristics of the demand for prunes in Europe before the war was the almost universal preference for the relatively cheap small sizes available in large quantities from Yugoslavia. The shortage in supplies from that country in recent years, however, together with the inferior quality and relatively high price of the fruit compared with the abundant supplies of excellent quality fruit from the Pacific Coast at relatively cheap prices even in the larger sizes, has caused an increase in the demand in practically all of the markets of continental Europe for the larger sizes from the United States. It is commonly admitted, however, that many European consumers are favorably disposed to the small, tart prune from Yogoslavia and many dealers there are of the opinion that the consuming public would readily give preference to prunes from that country if they could be delivered in adequate quantity in good quality and at their one-time relatively cheap price. In general it can be said that the various European markets differ as to size preference but that there is now a growing tendency towards the medium and larger sizes. The latter tendency is not due to any educational campaign but rather to the relatively low prices at which even the larger fruit has been sold in recent years. It seems reasonable to assume that the tendency will continue, particularly in countries where economic conditions are improving.

The demand for American prunes in France is mostly for the sizes 40/50, 50/60, 60/70, and 70/80 although in the Oregon varieties the larger sizes such as 30/40's may be included. In general the larger sizes are too expensive while the extremely small sizes from the United States are thought to have too much pit in relation to flesh. One of the larger cooperative agencies in France demands that 75 per cent of its prune purchases be of the 50/60 size. Germany, before and shortly after the war consumed principally small prunes 70/80's and smaller but during the past three or four years the trend has been toward sizes 40/50's and 60/70's because of the abundant supplies and relatively cheap prices ruling on the larger sizes from the United States compared with the continued shortage and relatively high prices of the formerly popular small sizes from Yugoslavia. The German trade does not care to accept this tendency as permanent since the Yugoslav prune is well liked and it is believed that with adequate supplies of good quality fruit once more available from that country, the market will again turn to the Yugoslav product.

Switzerland has been purchasing mainly the 60/70, 70/75, and 80/85 sizes in prunes. The demand for the very large sizes is limited. Some complaint is registered in Switzerland because of the fact that our prunes are classed as 70/80's, for example, when the count is around 79. This complaint no doubt arises from the fact that Yugoslavia designates the 70 size by the term 70/75. The next sizes in demand are the 95/100's and the 100/110's. Belgium consumes mostly the 40/50 and 50/60 sizes in prunes. The smaller sizes from Yugoslavia were very popular formerly but in recent years the demand for those prunes has been greatly restricted. Belgium now prefers the California prunes. Prunes from Oregon are purchased only

when the difference in price is appreciable. Size demand in the Netherlands runs as follows and in the order named: 40/50's, 70/80's, 50/60's, 90/100's, 30/40's and 80/90's. The natural demand is for the sweeter "Santa Clara" prune. The sale of Pacific Northwest prunes is a matter of price, the 30/40 size being wanted especially when cheaper than California goods.

In Denmark the sizes 30/40's and 60/70's are generally called for. The very small sizes in the past were obtained from Yugoslavia but with the relatively low prices ruling on all prunes in recent years the demand for the larger sizes has been increasing. In Norway the greatest demand is for the 40/50 and the 60/70 size although 30/40's are in demand by the wealthier classes. In the 30/40 and 40/50 sizes "Santa Clara" prunes are desired but in 60/70's the "California Outside" may be sold. For the country trade the 70/80's and possibly the 80/90's are suitable, but seldom smaller. The demand in Sweden is mainly for the sizes 40/50's and 50/60's, with some call for 30/40's. These sizes are used largely in the cities. For the country trade 80/90's to 90/100's are wanted. In Finland the city trade requires the sizes 20/30's to 50/60's. For the country trade the small sizes 90/100's to 120/ over are demanded especially in mixtures.

Selling Prunes as Large Medium and Small.

Trade sentiment in Europe is opposed to any change from the present grading and packing on the nine or ten point to the more elastic basis of large medium and small, even though the European housewife does not buy prunes by exact count but rather along the broad lines of large, medium and small. If any attempts were made to change from our present system of grading a clear and definite understanding of what was meant in each case would be expected. Under the present plan the importer knows exactly what he is buying and being accustomed to these standards it would be difficult to change his point of view. In some of the European prune packing centers the exact count, as understood on the Pacific Coast is not followed and according to retailers' needs and purse the count may break almost anywhere. In general, however it might be said that prune standards as to size have not been set by growers or by consumers but by the trade practices of many years. The present size gradings are well established in the European import trade and any change would be unwelcome.

Mixed Dried Fruits Popular in Many Markets

Many of the dried fruit markets of Continental Europe show a good demand for dried fruit mixtures. This is particularly true of Germany, the Scandinavian countries and Finland. In France and Belgium, however, dried fruit mixtures are unpopular and are hardly ever to be seen in the retail stores. French buyers look upon such mixtures as remnants of various dried fruits, while the French cooks maintain that mixtures cannot be made up into satisfactory dishes, since each fruit requires special treatment. Mixed dried fruits on the other hand are very popular in Germany, and retailers there report greater sales of prunes in this form than separately. Prunes used in such mixtures in Germany are usually of the small sizes, and the prices of the mixtures as a rule increase as the prune percentage declines.

Mixed dried fruits are also quite popular in Denmark. These are brought in direct from California, no mixing being done in Denmark. The demand for dried fruit mixtures in Norway is increasing steadily. The Norwegians are especially fond of apricots and they have found that this fruit can be obtained at lower prices in mixtures than when sold separately. Mixtures for eastern Norway should not contain prunes but for western Norway prunes should be included without fail. The 50/60 size is generally preferred for this purpose. Mixed dried fruit are very popular in Sweden, particularly in the lumber camps of North Sweden. Such mixtures are imported into Sweden direct from California, but it is believed that increased mixing may be done locally in the future, because of the fact that prunes can be imported free of duty, while the other dried fruits are dutiable.

Approximately 50 per cent of the prunes imported into Finland are sold to consumers in the form of mixtures with other dried fruit. These mixtures consist mostly of prunes, raisins and apples with smaller quantities of apricots and pears. Peaches may occasionally replace pears if prices are low. Owing to a lower duty on prunes, the mixing of dried fruits for the Finland trade is done mainly by local importers. Unprocessed bag prunes from California are used for this purpose but if prices are high the smaller sizes from the Pacific Northwest are used.

Fruit Advertising in Europe.

Consumers in all parts of Europe buy mainly on the strength of individual judgment as to the quality of the fruit. In other words, the actual sight of the goods is the strongest sales factor rather than any printed statement as to its excellence. Under the prevailing characteristics of consumer buying in Europe, it is evident that dried fruits must be prominently displayed. In the better and medium class stores these displays are often very effective. The newer department stores in the larger cities, with their separate department devoted to dried fruit, usually present an appetizing display of these products. The fruit is dumped out on counters in neatly arranged piles and always with prominently displayed price tags. This in itself is effective advertising. Continual national advertising, however would undoubtedly have favorable results in stimulating the demand for dried fruits in cartons.

A great deal of publicity in behalf of fresh fruits is being carried on in European markets. Europe has been extremely health-minded since the war and propaganda for increasing the consumption of fresh fruit has had an important part in this movement. In Germany six distinct fresh fruit advertising campaigns have been under way in recent years. This work is being sponsored by such private concerns as the banana interests, by combined efforts of auction houses or trade factors, or through more or less direct Government aid and direction. The German trade is unanimous in the opinion that publicity and education have greatly stimulated interest in fresh fruits. Similar campaigns have been inaugurated in the Scandinavian countries.

The British "Eat More Fruit" campaign is said by authorities to have increased fresh fruit demand in that country by 25 per cent during the past three years. This campaign is supported jointly by shippers and brokers who in turn have won the support of thousands of retailers. Empire dried fruits are being extensively advertised in Great Britain through the Empire Marketing Board not only to increase consumption but to create a preference for Empire products. The Greek Currant Syndicate, a semi-Government and semi-industry organization, is doing effective publicity work in behalf of Greek currants.

Trade circles in Europe generally favor similar advertising campaigns on dried fruits. Such efforts must be educational in character, with particular emphasis on the health and relative food value features. One large Pacific Coast cooperative has done very effective trade promotion work in raisins in several of the European markets particularly England and the Scandinavian countries. While this was brand advertising, the results have been most gratifying and are conclusive evidence of the possibilities in expanding the demand for American dried fruits. The trade in general is of the opinion that any dried fruit advertising campaign should be an industry rather than a "brand" affair and in order to be successful it must command the united action on the part of the industry on the Pacific Coast. Small independent factors would make little progress in the face of the united action on the part of our competitors.

Sales Practices and Marketing Developments

Fixing Opening Prices

American quotations on dried fruits in recent years have shown a tendency to decline seriously as soon as European buyers have made their early purchases. This practice has caused material losses to those who purchased early. Many dealers in the European market are positive that our early price quotations are often made without regard to the world factors that bear upon a proper price level. Pronounced objection is made to the practice of naming opening prices on dried fruits so high as to be completely out of line with later developments. Individual losses subsequently incurred antagonize the trade and discourage volume buying. This practice is especially reprehensible in years of heavy dried fruit crops when the cooperation of every factor in the trade is necessary to move large tonnages into consumption. Specifically, the European trade charges that the Pacific Coast operators either have little knowledge of world factors which determine a proper price level, or that facts as to production and carryovers are deliberately mis-stated. Unfortunately the latter belief is very pronounced and is responsible for much of the present irritation towards the Pacific Coast uniform dried fruit contract.

While there is wide objection in the European dried fruit trade to price cutting the trade does not favor a "strictly uniform price policy". It is felt that such a policy would deaden individual initiative and purchasing ability and would probably eliminate all interest on the part of the trade. For that reason the trade favors price variations within

reasonable limits. It is the general opinion that opening prices should always be such as to allow for gradual advances as the season progresses. European buyers realize that the factors affecting price range on fruits change quickly but they insist that under ordinary conditions American shippers could quote opening prices that are not materially out of line with the world supply and demand situation. This may necessitate the naming of prices somewhat later in the season when world conditions bearing on prices are better known.

Opening prices that allow of some profit on early purchases lead to volume buying and present an opportunity for the speedy clearance of the season's supplies. Heavy losses on early purchases on the other hand lead to indifference which is highly detrimental to volume buying. To the American industry this means price cutting in order to renew lost interest. Such sharply declining markets however, retard the movement of supplies into consumption and result in vexing carryovers which adversely affect prices on future crops. European dealers feel that there is a proper price range for every year's crop and that the best results generally would be secured if opening prices were in line or slightly below that level so that impetus in buying, fostered by reasonable profits would enable the entire crop to be consumed and the market to close at well above the opening level. While such an opening price level might or might not be profitable in the last analysis it would be justified by world conditions.

It is possible, of course, to name prices unjustifiably low as was the case in 1928. While California that year was faced with a large crop of both fresh and dried fruits when early prices were named, no consideration was given to the prune crop situation in Oregon, nor to the results of insect ravages in the Yugoslav orchards, which reduced that country's crop by fully fifty per cent. The European packing centers were the first to realize the full significance of prospects for a very light crop of local fruits in Europe that year. The crop year 1926 again illustrates a situation when our opening prices were far out of line with actual conditions. All fruit production that year was at a maximum and the enormous aggregate total could not be consumed except at relatively low prices. The dried fruit industry that year received a severe blow and large quantities were carried over into 1927. More reliable and comprehensive crop and market information is urgently needed in order to give growers and shippers a reasonably accurate basis for determining opening prices. Such information must be available to American Shippers throughout the entire season in order that prices can be maintained at levels consistent with the world supply and demand situation.

Export Procedure in Handling Dried Fruits

Sales of dried fruits from the Pacific Coast are controlled by voluntary action of the California and Pacific Northwest Dried Fruit Associations. These trade associations are made up of actual packers in the industry. A comparatively recent development is the organization of the California and Pacific Northwest Dried Fruit Export Associations which admit to membership the dried fruit exporter as well as the packer. Organized under

the Webb Act, which exempts export operation from the restrictions of the Sherman Anti-Trust law, these organizations have the power to combine interests for various purposes including export price stabilization. So far, their efforts have been confined mainly to the adoption of more uniform contract regulations and placing a definite check on consignments. The primary object and function of these trade associations is to establish a uniform trading basis as it affects contractual relationship between buyer and seller; to impose rules and regulations pertaining to standards and quality, and to maintain an inspection service for the enactment of such standards as have been established.

Practices of competing areas

The Balkan countries sell their prunes on the basis of payment on presentation of documents but inspection and arbitration, if any, are at points of destination. The Australian Dried Fruit Control Board has an agency in London that regulates the marketing of Australian dried fruits in the British market. Dried fruits from several of the Mediterranean countries are consigned to a selected and restricted group of importers located in the principal ports. Sales of currants from Greece are directed by the Greek Currant Office, a semi-Government, semi-industry organization with the main office in Athens and a branch office in London. In some countries on the Continent, Smyrna raisins are sold on sample. Russia sells her fruits through resident representatives of the Soviet Government, who in turn often employ a selected group of agents. The prune packing centers in Europe are not restricted by quality or selling regulations and may offer credit terms far out of the ordinary.

American dried fruit associations develop uniform sales contract

Uniform contracts covering the sale of American dried fruits for export have been developed by the American dried fruit associations in cooperation with the organized dried fruit trade located in the principal importing countries. While these contracts differ in detail for the various types of dried fruit, the important features are uniform. Under its terms, the matter of inspection of the fruit before shipment is of great importance as the certificate issued covering soundness general quality and count, as in the case of prunes is final and is accepted by the buyer as such. Under the American contract arbitration is in the country of origin. The seller is thus protected should unavoidable conditions seriously interfere with the expected tonnage or quality of the shipments. It is in these particulars mainly that the the Pacific Coast contract differs from that used by competing countries. American payment terms are usually three days' sight upon arrival of documents. These documents include Ocean Bill of Lading, Weight, Insurance and Quality certificate Draft Invoices and Consular certificates if required. Where payments are in dollars, as on the Continent, no discounts are allowed. In the case of England, where payments are in English money, the discount is one per cent.

Dried fruit operators on the Pacific Coast are cautioned not to supplement the present contract with special terms and conditions. In case of

dispute the buyer will ignore the terms of the contract and rely for protection upon the special terms imposed. Any demand for special terms may be an indication of the undesirability of the buyer or agent in the first place. This tendency is most pronounced in countries which have only recently been developed as dried fruit outlets.

Dried fruit inspection service a/

Practically all of the California dried fruits entering into the export trade are sold on contracts providing that the inspection certificate of the Dried Fruit Association of California shall be final and conclusive as to the quality, grade, and condition of the fruits sold. A similar inspection service is operated by the Northwest Dried Fruit Association, with offices in Portland, Oregon, which serves the producers and shippers of dried fruits in the States of Oregon and Washington. In the whole field of commerce there is no better example of the value of a rigid and impartial commodity inspection. Practically the entire American export commerce in dried fruit passes through this inspection and tens of millions of dollars of fruits are certified annually. This inspection service is operated under the jurisdiction of the Dried Fruit Associations mentioned. These Associations are non-profit associations, having in their membership all packers whether they be private commercial enterprises, or grower-owned cooperatives.

The American dried fruit inspection service has been built upon the philosophy that it represents a protection to the buyer and that the buyers' interests are the main responsibility of the service. The syetem is carried out by means of crews with a thoroughly qualified inspector heading each crew. The crews consist of specialized laborers who open, recoop, and restrap all inspected parcels. Goods are not inspected until they have passed from the packer or seller into the hands of the transportation companies and are, therefore on neutral ground. No effort is spared to preserve the impartiality and efficiency of the inspection. The personnel of the inspection force is very carefully chosen and trained so that only individuals of demonstrated competence and integrity are permitted to serve on the staff. A rigid system of discipline is employed to prevent error. These inspection services have operated for many years and there is probably no other single factor, aside from the excellent quality of the product, that has done more to stabilize and develop the present large export trade in American dried fruits.

Attitude of European trade toward uniform dried fruit contract

There has been and still is some feeling in Europe that our uniform dried fruit contract is too severe and that it has been a deterring factor in demand. It is pointed out that documents arrive from three to four weeks in advance of goods and that the buyer must pay interest oharges from the time the documents are received until goods arrive. It is contended that

a/ Based on a statement supplied by Mr. Dwight K. Grady, Secretary of the California Dried Fruit Association.

with inspection at source held as final, there is no protection in case deterioration takes place during transit. Many of the European buyers suggest that either the inspection certificate should not be final as to quality, or that arbitration be held in the country of destination. Occasionally the idea is advanced that the use of the sixty day letter of credit should be more universally adopted. It is claimed that such action would not increase credit charges to shippers and that it would lead to larger sales, particularly if the additional safety on large purchases would justify a slight reduction in price.

While objections to our uniform contract are heard quite generally, it is doubtful if the contract as at present applied is a deterrent to sales. On the contrary there are good grounds for believing that it has been one of the greatest of the factors in building up confidence and a consequent desire to purchase our fruits. One reason for this is that the contract has replaced haphazard methods of buying by something which is uniform, businesslike and reliable. The contract in practice has justified itself because of the uniformly good quality of the fruit shipped under it. Without exception, the quality of our prunes is considered excellent throughout Europe. A majority of the more responsible buyers in Europe believe that this contract in itself is their greatest safeguard as it places the full responsibility upon the Pacific Coast. They realize that such a contract could not be maintained except as it justified itself in results.

The Pacific Coast dried fruit industry from grower to packer and the inspection service must cooperate in maintaining our present high standards of quality. All matters pertaining to shipping and storage must be given consideration, particularly in shipments to the Mediterranean areas and in shipments going forward during the warmer season. Educational efforts to acquaint the trade in Europe with American methods and thoroughness of inspection would have good results. Much confusion now arises due to the fact that the crops are not of uniform quality from year to year while our contract definitely states that the quality shall be "better than or average for the season". If leading buyers or their representatives could personally visit inspection points, much of this confusion and consequent objection to our uniform contract would disappear.

When we consider that practically every competing nation is trying to arrive at uniform quality and uniform sales practices and not always with complete success, even with Government aid, it is to the great credit of the Pacific Coast dried fruit industry that through voluntary, self-imposed action, both quality and practices have been brought to such a high standard. Cooperation between leading steamship companies and trade associations has reduced the stowage and ventilation of dried fruits to a fine art, so that they can now be delivered throughout the year in generally good condition in spite of the extremes of temperature encountered.

American methods of calculating c.i.f. quotations a/

Contrary to a general impression, the procedure in selling dried fruit for export is not particularly complicated. The sales are generally handled by cable in well recognized trade codes. Some agents have developed private codes in order to reduce costs to a minimum. In general the trade practices are of long standing and the contracts are definite and uniform. Continental European countries pay in dollars and use the metric system of weight, the unit of sale being 50 kilos or 110 pounds. Sales to the British market are made on the basis of the hundred weight of 112 pounds and in shillings and pence. It is necessary, therefore, in making quotations on dried fruits to convert the American terms of weight to the terms used in foreign countries. Dried fruits are generally sold c.i.f., which means that all costs up to the time the fruit is delivered in the European base ports are included in the price quoted to that port.

For the ports of continental Europe

The handling costs on prunes from the packing plants the Willamette Valley Oregon, to European base ports amount to $1.03 per 100 pounds gross weight. In making c.i.f. quotations on dried fruit to continental European base ports, these costs are merely converted to their gross weight equivalent in kilos. The result is then added to the original price f.o.b. packing plant. For example, on two bundles of prunes weighing 124 pounds gross (i.e. four boxes strapped two boxes to a bundle with each box containing 12½ kilos or 27.5 pounds net) the handling charges would amount to $1.28. With prunes valued at 6 cents per pound f.o.b. packing plant the c.i.f. quotation would amount to $6.60 plus the "sales differential" of $1.28, making a total of $7.88.

The steps in figuring the above c.i.f. quotations on various packs of American prunes are given in the following tabulations. While the price listed for the fruit is an arbitrary one and the charges given apply only to shipments from Portland, Oregon, the data will serve to illustrate and explain the procedure followed.

a/ Based on information supplied by Mr. C. A. C. Hansen, Traffic Manager for the North Pacific Cooperative Prune Exchange, Portland, Oregon.

PRUNES: Handling costs from packing plants located in the Willamette Valley Oregon, to European base port.

Expense items	Charges per 100 pounds gross weight: Prunes in Boxes	Charges per 100 pounds gross weight: Prunes in Bags
	Dollars	Dollars
Inland freight (from plant to dock in Portland, Oregon)	0.125	0.125
Dock charge (wharfage and unloading)	0.035	0.035
Ocean freight (common stowage)	0.750	0.750
Strapping (3 cents per bundle)	0.050	---
Marine insurance (average)	0.045.	0.045
Inspection at dock	0.020	0.022
Miscellaneous expenses	0.005	0.008
Total	1.030	0.985

PRUNES: Net and gross weight equivalents of various packs and handling charges.

Description of Pack	Net Weight: Per box	Net Weight: Bundle	Gross Weight: Per box	Gross Weight: Bundle	Handling charges at $1.03 per 100 lbs. gross for boxed and $0.985 per 100 lbs. gross for bag prunes
BOXED PRUNES	Pounds	Pounds	Pounds	Pounds	Dollars
When packed 12½ kilos (27.5 lbs) net to the box (four boxes strapped two boxes to a bundle)	27.5	110	31	124	1.2772
When packed 25 kilos (55 lbs.) net to the box (two boxes single strapped with two wires)	55.0	110	61	122	1.2566
BAG PRUNES					
Bags containing 50 kilos (110 lbs.) gross	110 pounds gross for net				1.0835

PRUNES: Examples of quotations from points in the Willamette Valley Oregon, c.i.f. Europe base ports.

Price f.o.b. plant in Portland plus handling charges to European port	Quotation c.i.f. European base port
	Dollars
In boxes containing $12\frac{1}{2}$ kilos (27.5 lbs.) net:	
Price of 4 boxes (110 lbs. net) f.o.b. packing plant at 6 cents per pound	6.60
Plus c.i.f. differential (at $1.03 per 100 lbs. gross) on 124 lbs. gross.....................................	1.28
	7.88
In boxes containing 25 kilos (55 lbs.) net:	
Price of 2 boxes (110 lbs. net) f.o.b. packing plant at 6 cents per pounds.....................................	6.60
Plus c.i.f. differential (at $1.03 per 100 lbs. gross) on 122 lbs. gross.....................................	1.26
Total c.i.f. European port per 122 pounds gross..	7.86
In bags containing 50 kilos (110 lbs.) gross for net:	
Price in export bags 110 lbs. gross for net) at $0.0575 per pound.....................................	6.32
Plus c.i.f. differential (at $0.985 per 100 lbs. gross) on 110 lbs. gross.....................................	1.08
Total c.i.f. European port per 110.23 pounds gross:	7.40

For the ports of the United Kingdom

Quotations to British ports are figured on the basis of the English hundredweight of 112 pounds instead of on the metric weight unit. The handling costs from the packing plant to British ports amounts to $1.03 per 100 pounds gross weight. Thus in the case of prunes packed in boxes containing 112 pounds net but weighing 125.44 pounds gross the cost f.o.b. plant at 6 cents per pound would be $6.72, which plus the handling charges at the rate of $1.03 per 100 pounds gross would bring the c.i.f. quotation up to $8.01 for a pack of 125.44 pounds gross or 112 pounds net. This is equivalent to 33/0 per 112 pounds net, c.i.f. United Kingdom base ports with Sterling at $4.86.

PRUNES: Handling costs from packing plants in the Willamette Valley, Oregon, to British ports

Expense items	Charges per 100 pounds gross weight
	Dollars
Inland freight (from plant to dock in Portland, Oregon)	0.125
Dock charges (unloading and wharfage)	.035
Ocean freight (common stowage)	.750
Strapping (3 cents per bundle)	.055
Marine insurance (average)	.038
Inspection at dock	.020
Miscellaneous expenses	.007
Total	1.030

PRUNES: Example of quotation from points in the Willamette Valley, Oregon, c.i.f. British ports.

Price f.o.b. Packing Plant plus handling charges to British ports.

	Dollars
Cost f.o.b. Willamette Valley plant in 25 pound boxes (for 112 lbs. net) at 6 cents per pound	6.72
Plus c.i.f. differential (at $1.03 per 100 lbs. gross) on 125.44 pounds gross weight	1.29
Total c.i.f. British ports per 125.44 pounds gross	8.01

Other quotations

The c.i.f. quotations for all other ports are figured along similar lines. When refrigerator space is used instead of common stowage the handling charges (c.i.f. differentials) are higher. Thus in the case of shipments to the United Kingdom under refrigeration the ocean freight rate is 95 cents per 100 pounds instead of 75 cents as in common stowage. This would make the c.i.f. differential $1.23 per 100 pounds gross instead of $1.03 and would raise the handling charges on shipments to British base ports from $1.29 to $1.54 on a shipment of 125.44 pounds gross weight.

Among the c.i.f. charges listed above, the inland freight will vary greatly. Where plants are located on tidewater and growers deliver to such a plant this item would be small. The ocean freight of 75 cents per 100 pounds gross weight is for common stowage by Panama Canal to certain base ports in Europe. To points other than base ports certain additional costs are added. As already mentioned, twenty cents per 100 pounds are added where fruit goes under refrigeration. In case out-ports have no refrigerator

service, the regular charge is made to base-ports under refrigeration plus an additional charge for common stowage to the ultimate destination. In case of overland shipments for trans-shipment on the Atlantic Coast the freight charges will include rail rate from coast to coast and ocean freight to destination.

Strapping and labeling

Strapping is common for all shipments to Europe. Either two wires for a bundle of two $12\frac{1}{2}$ kilos(27.5 lbs.) net boxes or one strap for one box is used. Europe rather favors the one strap box as the lighter weight causes less dropping and breakage. The larger docks on the Pacific Coast are now supplied with electric strapping machines. Dried fruit destined for England is packed in 25 pound boxes net, 28 pounds gross. For continental Europe the weight of the box is $12\frac{1}{2}$ kilos (27.5 pounds) net or 31 pounds gross. Occasionally the 25 kilos (55 pounds) net box is used for the smaller sizes. A differential of from 1/8 to 1/4 cents per pound is allowed in favor of the larger box.

Boxes are marked showing brand, size, country of origin, destination and net contents. While lithographed labels are still used by some shippers, marks and brands printed into the wood are the most common. Such a mark is difficult to tamper with and buyers are sure then that they are getting "original" pack. The value of neatness and uniformity in this respect is fully appreciated when viewing the stored goods on the docks after unloading. Some of the Continental markets buy large quantities of unprocessed prunes in bags usually containing 90 kilos (198 lbs.).

Factors in the dried fruit trade

Formerly dried fruit sales in the United States were made exclusively by private operators and exporters. The former owned or operated packing houses while the latter confined their efforts to selling. These outlets for export were later augmented by cooperative marketing associations. All of these generally use the established trade outlets abroad. In very recent years a new type of exporter has developed, the packer-exporter, who is inclined to ignore the established agencies in Europe by going direct to retailers. In some instances these exporters are not bound by the Dried Fruit Association contracts and offer essentially different and often more favorable terms. Aside from this new tendency, it can be said that many of the export houses have been in business for years, have excellent connections and are thoroughly versed in export demands and developments.

Packers of dried fruits may well decide to limit their efforts to packing or to packing and domestic selling, leaving the more complicated foreign markets to firms who have specialized in this field. This method of selling involves an additional agency, and an extra 2 $\frac{1}{2}$ per cent commission. The exporter on occasion, can become the "back door" for unloading dried fruits where the owner of the fruit does not care to appear in the transaction.

This is possible as the identity of the fruit offered by exporters is lost under exporters' own or buyers' brands. There is some evidence in Europe that this practice may reach a point where the packer's own brand may disappear entirely and where his own representatives lose interest in packer's account.

The selling of dried fruits in Europe through the well known channels of agent-broker, distributor-wholesaler and retailer is still very much the rule. Practices and methods established over a great many years are not easily changed and so interwoven are the interests, financial and otherwise, of these factors, that a continuation of this general plan for many years to come may be expected. Occasionally wholesalers and retailers combine for the purpose of buying dried fruit direct. Such combined buying is relatively small and is done not only to save brokerage and commission or to secure better prices as a result of larger orders but also and mainly to meet the competition of large purchasing on the part of cooperative societies and chain stores. In order to pacify the lon established brokerage firms a percentage of the commission thus saved is frequently turned over to them.

Cooperative buying organizations

The grocery chain-store movement has made comparatively little progress in Europe as yet but its presence is beginning to be felt and undoubtedly will become of greater importance in time. In its place, however, Europe presents in the buying field the large and growing cooperative consumer, retail and wholesale buying societies. The cooperative consumer and buying societies are particularly strong in England, France, Germany and the Scandinavian countries. Organized primarily for mutual financial benefits, attempts are made to eliminate items of cost by more direct approach to the sources of supply. For this purpose, the functions of agent-broker and distributor-wholesaler are absorbed by the organizations themselves in the case of the more powerful concerns. Such direct transactions may necessitate the establishment of offices in important producing countries as has already been done by the English Wholesale Cooperative or, as in the case with the Scandinavian Cooperative, where a central buying office for all the countries in that area was recently established at Copenhagen.

In nearly every market of Continental Europe the old agent (broker) finds himself in the difficult position of trying to decide whether to remain loyal to the long established lines of distribution or whether to seek the business of the cooperatives and chain stores which are invading the field of the importer. The importers resent the invasion of their field by these new agencies and naturally favor exporters and brokers who do not sell direct to the cooperatives and chains. The apparent success of the cooperative consumer and buying movement, evidenced by its growth in recent years, brings the position of the long established wholesaler and agent-broker sharply to the front. The wholesalers individually and in groups feel that the advantages of large scale buying and the elimination of all or part of the broker's commission gives the cooperatives an unfair advantage. Threats of boycotting firms selling to the cooperative concerns and allowing

commission, are heard here and there. The possibility of going direct to the source of dried fruits, either individually or in groups and eliminating the agents' commission is being tried out by the wholesalers in some markets in an experimental way. Some individual but powerful packing concerns have recently deserted the "regular" channels and are going direct to retail outlets, backing their products with national advertising.

Agent-broker in Europe

The $2\frac{1}{2}$ per cent commission paid brokers on dried fruits is a uniform practice. Brokers and sellers each take care of their own cable expenses. In some markets the agent splits commissions with local brokers the latter getting one per cent and the agent retaining $1\frac{1}{2}$ per cent. Although there have been attempts to eliminate the agent as stated above, there is nothing more important for the average exporter than a reliable and active representative. This is particularly true where distances are great and where peculiarities and requirements of the trade are not always understood by the seller. The worth-while agent still is the "clearing house" and "shock-absorber", fully informed of market trends and ready to act as impartial investigator or arbitrator in settling disputes that are unavoidable.

As long as the personal element is necessary in dried fruit sales, the service of a representative is indispensable. Where powerful packers supply their own personal contact the matter becomes one of relative cost and results. The $2\frac{1}{2}$ per cent commission is not excessive. In fact it is made possible only by the agent carrying a number of related accounts. Direct dealings with one factor or element in the trade, carries the possibility of developing antagonism in other quarters to the detriment of the brand. This does not apply, of course, where direct dealing has become a matter of course and is an accepted practice, or where advertising has created a distinct consumer demand. In general the most effective policy for merchandising dried fruits in Europe is that of supporting existing channels of distribution with personal direction and publicity.

Qualifications of a broker

There is no dearth of agents wishing accounts and from that standpoint the selection and appointment of a sales organization in Europe is not difficult. As in all lines of business, however, finding the desirable representatives is very difficult. Houses of long standing and prestige are generally well supplied with so-called "exclusive" accounts. Contacts are often furnished through our Government representatives abroad in which case "Bank references" are furnished but, of necessity, responsibility is waived. The inherent weakness of this method is that even "bank references" may not indicate existence of the essential qualifications. It does, however, furnish the initial getting together.

A desirable broker should above all have integrity, as he must constantly advise and in the heat of selling he must submit reliable and not misleading

or distorted market information. Unlike the celebrated case of the automobile merchant asking for a dried fruit account, it is desirable that the agent limit his interests to closely related lines. "Exclusive" representation or a brokerage house representing only one account in any particular fruit, should be insisted upon although, except with particularly large and valuable accounts, this feature in practice is frequently overlooked.

The matter of a brokerage firm confining its activity strictly to the functions of an agent and doing no buying on its own account, is in Europe more a question of degree than of absolute adherence to principle. As in fresh fruits most dried fruit brokers at one time or other find themselves owners of the fruit but where this becomes a regular practice the value of the agent as a representative is destroyed and he is eliminated from the list of desirable agents. He should know his trade and deal only with responsible outlets. In the matter of representation abroad, there is nothing more valuable than personal contacts. This has long been recognized by the larger packers whose volume of business has justified them in keeping their men constantly in touch with the markets.

Importance of personal contact in distribution

The personal contact in selling plays a far greater part in Europe than it does in the United States. This is partly due to custom and partly to the large number of relatively small countries which make up Europe, each with different languages, monetary systems, and trade practices. Our competitors are taking full advantage of this fact. The Greek Central Currant Office has a representative in the most important markets and is establishing more. The representatives of the Russian Soviet Government take an active part in the upbuilding of export markets for that country. The Danish cooperatives are in close personal contact with their markets. The Empire Marketing Board represents the interests directly of England's Empire fruit industry. A few of the large packer-exporters on the Pacific Coast have personal representatives either permanently located in the principal markets or traveling from one market to another. One large Pacific Coast dried fruit factor has made excellent use of personal contact through the establishment of offices in one or two of the principal markets.

As a rule, however, our many fruit cooperatives on the Pacific Coast or in the United States fall far short of making full use of this valuable asset in selling abroad. Trade representatives are too often hastily secured without proper investigation as to their fitness. A number of small cooperatives each with its own export sales organizations, often indifferently represented and all quoting at variance, precludes the possibility of success. It is perhaps true that many are too small to establish the personal contact so essential because of the expense involved. The only solution of this difficulty is to combine their interests.

Prune Packing in Europe

The common practice of buying unprocessed prunes to be packed in European centers began about thirty years ago and has made rapid progress since the war. Prune packing centers are now found in many parts of Europe. Valjevo in Yugoslavia Vienna in Austria, Budapest in Hungary and Bordeaux in France are packing centers located in the producing areas and have been established there for many years. With the decline of production in France, the Bordeaux packing center is now drawing upon unprocessed prunes from America to fill out their own declining tonnage. About 50 per cent of the prunes imported into Bordeaux are in bags for subsequent repacking. Budapest and Vienna, which until very recently were exclusively packers of Yugoslav prunes have also begun to draw upon Pacific Coast supplies. Hamburg, Antwerp, and Bremen are the most important packing centers operating outside of the producing areas. Passau, Regensburg and Bratislavia, all located on the Danube river, are as yet exclusively packers of Yugoslav prunes.

Hamburg leads in the number of plants, volume of packing and exports of packed prunes. The Hamburg supplies of "natural" unprocessed prunes come from the Pacific Coast Yugoslavia, France, Rumania, Bulgaria, Russia and Italy. The German owned and operated prune packing plant at Amsterdam was active for a time but is now idle. Antwerp has a flourishing packing industry but the trade is divided in their loyalty to local and "original" pack. Havre has established a processing plant for prunes for spring and summer requirements. For the winter demand Havre will continue to rely as in the past on boxed prunes from the Pacific Coast. About two-thirds of all prunes imported into France come in by way of Havre and are consumed mainly in Northern France. Packing of mixed dried fruits is common in London and Helsingfors, Finland.

Advantages and disadvantages of a local packing industry

The advantages of a packing industry to the countries in question is not only strategic from a distributing and marketing standpoint but it provides employment as regards actual labor in the plants and stimulates production in the items used in packing, such as machinery, equipment, nails, box shook and paper. There is a growing belief in some quarters that local packing facilities are more advantageous in furnishing supplies of freshly packed prunes for spring and summer needs than for the winter requirements. Not a little stimulus to this development comes from tariff agreements, the duty on unprocessed prunes in many instances being lower than the rates on prunes in boxes. In some countries this difference is very material and means the virtual exclusion of processed prunes.

Three important questions underlying the development of the packing industry in European consuming areas must be recognized: (1) Do the packing methods result in cost advantages by permitting lower prices and allowing more favorable credit terms to buyers? (2) Does the relatively inferior quality of the finished European pack, as alleged in some quarters, affect the

demand for prunes in general? (3) Does the availability of freshly European packed prunes at all times and under favorable credit terms increase the consumption of prunes in Europe?

If liberties taken in packing prunes in Europe and consequent inferior quality are causing consumers there to turn to competing fruits, then the Pacific Coast and Yugoslav prune industries face a serious problem. On the other hand if the availability of freshly packed prunes of passable quality and sold under favorable credit terms actually increases the demand for prunes, particularly during the summer or fresh fruit periods, then the producing areas are at least partially reimbursed for the loss of a packing industry.

There are undoubtedly important cost advantages in packing prunes in the European consuming areas. Some of these advantages, however, are the result of questionable practices. These questionable practices, of course, are possible in any packing plant no matter where located. The Pacific Coast has very strict and positive rules as to packing but no such voluntary trade or government regulation restrict packing practices in Europe. While the European pack is generally quoted lower than original pack, this is not always the case. Lower prices, however, do not necessarily mean that such prices are the result of fraudulent practices since legitimate cost advantages are no small item.

The following is a list of the legitimate cost advantages and of the questionable packing practices involved in the European prune packing business.

<u>Legitimate cost advantages</u>

(1) Lower duty on bag prunes than on boxes.
(2) Elimination of strapping charges.
(3) Lower freight on bags than on packed fruit.
(4) Lower labor costs.

<u>Questionable packing practices</u>

(1) Mixing varieties.
(2) Selling goods under wrong classification.
(3) Adding too much moisture.
(4) Packing on points other than regular.
(5) Too wide blending of sizes.
(6) Blowing up to larger sizes.
(7) Packing under weight.

<u>Quality of locally packed prunes</u>

Extensive investigations show that nowhere is the local European pack considered equal in quality to "original" pack. This feeling is most pronounced in areas away from packing centers and where the local pack is subjected to considerable shipment and handling or where the goods are not

immediately consumed. This means, compared with "original" pack and its keeping quality, that "local" packs carry more moisture than "original" pack. However, the European packing industry maintains that this is not a questionable practice. They base their position on the argument that their pack is not subjected to long ocean shipment under tropical conditions. Moreover, it is held that their pack can be bought in small quantities for quick delivery at frequent intervals, allowing for quick consumption. While carrying more moisture, it is their contention that such a pack is more appetizing in appearance and that consumption of prunes is increased accordingly. Where there is no control other than the individual's own conscience it is to be expected that there should be great variation as to quality between individual brands. It cannot be said, however, that the quality has been so inferior as to turn consumers to competing fruits. On the contrary it has meant settlements under arbitration. The burden of proof is now strictly on the European packers.

Effect of local pack on consumption during summer months

Evidence that local packing has increased prune consumption, particularly during the summer or fresh fruit season is difficult to secure. The inland buyers in Germany are inclined to the view that it has had this result. In the past few years prunes have been moving through Hamburg all the year round while in former years there was a stop during the summer months. Hamburg packers claim that this improvement is due to the Hamburg pack. It is stated that original California pack cannot be shipped through the Panama Canal during the summer months without endangering the quality. As a consequence it is concluded that fresh Hamburg pack has created the summer market in Germany for prunes. Just what part of the summer consumption, however, has been due to the shortage of local fruits and what part to favorable buying factors, is a question that time only will determine.

European packers grant more favorable credit terms

It is in the field of credit that European packers make their strongest bid for supremacy. In this they are taking advantage of the present lack of ready capital and credit in many of the European countries. Credit terms of thirty days are the rule and may be extended to sixty or even ninety days. Buyers and their relative ratings are well known through personal contacts and proximity of buyer to packer. In buying "original pack", the buyer must anticipate not only his total requirements but sizes within that order as well. He is compelled to pay his drafts upon arrival of documents while allowing credit terms to retailers. While the buyer is expected to anticipate his yearly requirements as far as possible when purchasing European packed fruit it is not necessary for him to accept the sizes within the order and he may change "assortments" depending upon consumer preference. This in itself is a big advantage in placing an order. Moreover, he can order small quantities for shipment throughout the year, thereby assuring a constant supply of freshly packed prunes. This practice is encouraged by packers as the moisture content of the packed fruit requires relatively quick turnovers.

It is because of these extremely favorable terms that buyers are willing to overlook the relatively poorer quality of the local pack as compared with the original pack.

<u>European packing from the Pacific Coast point of view</u>

The European packing interests contend that there can be no valid objection on the part of American dried fruit interests to the growing importance of packing after arrival of the fruit. The introduction of modern packing machinery is advanced as proof that the industry in Europe is taking advantage of the legitimate advantages referred to. Looking at the European packing industry from the standpoint of the Pacific Coast prune industry, two questions must be considered. First, is the loss to the prune packing industry in the United States serious enough to warrant drastic steps to bring it back? Second, if European packing has resulted in increased consumption would it not be well to refrain from any drastic action and take advantage only of the legitimate means to maintain the "original" pack in European trade channels?

The drastic action referred to might include attempts to induce European governments to equalize customs duties on bag and boxed prunes. Anyone familiar with European "reciprocal commercial treaties" realizes that this would be extremely difficult if not impossible. It has been suggested that Pacific Coast dried fruit interests might operate packing plants of their own in European centers. This is an extremely "risky" undertaking because of distances involved and would not correct the loss to the American packing industry. The industry on the Pacific Coast might refuse outright to sell prunes in bags. Individual packers have the privilege of taking this attitude but it is scarcely in harmony with American ideals of free selling and in these years of heavy crops, European operators would have no difficulty in securing supplies if necessary through their own representatives. A few years ago Yugoslavia tried the expedient of placing an export tax on bag prunes but without appreciably reducing bag shipments. Unquestionably an extension of more favorable credit terms would have desired results but this would endanger the entire dried fruit contract which has been patiently evolved over a number of years.

Those supporting the second view of taking every legitimate and practical means to maintain the "original" pack have the advantage that it is already everywhere looked upon as superior in quality. This reputation should be maintained at all costs as there is a very definite tendency in Europe to rely upon "original" pack for the relatively large winter requirements and to draw upon local packing mainly for the relatively small summer needs. The presence of the quickly available, freshly European packed prunes in summer might well lead to increased consumption of prunes during the season of the year when prune consumption is ordinarily or non-existent. Developments in this direction do not mean a serious inroad in the present percentage of boxed prune shipments from the United States. Early fall shipments are highly important in order that the European trade may be absolutely sure of

having "original" new crop pack on hand for the Christmas trade. If this is not done, countries including those where the packing industries are located, will be forced to rely more and more on European pack to meet this early demand. A willingness on the part of Pacific Coast packers to accept comparatively small orders, of strictly fresh pack, especially for spring and summer needs, is also important. Personal contact and educational efforts to acquaint the trade with the relative merits of original pack would have very good results.

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